Statement by Girmai Abraham  
Date of Meeting: November 20, 2001

**NIGER: Country Assistance Strategy Progress Report**

We wish to commend staff and management for this CAS progress report for the Republic of Niger. From the outset, we wish to acknowledge the severe constraints to growth in Niger over the short and medium term especially as they relate to the limited natural resource base and high vulnerability to external shocks. Prominent among these is the recurring droughts that take a heavy toll on both economic growth and living standards of the people, whose main stay is rain fed agriculture. Notwithstanding, we believe that the Government has undertaken commendable efforts to keep the economy on track.

We note with concern the pervasiveness of poverty among the people of Niger, which ranks 161 out of the 162 countries listed in UNDP’s 2001 Human Development Report (HDR). We agree with the staff assessment that, given the country’s narrow resource base, meaningful reduction in the poverty level would only be possible in the long run. We expect that staff would work closely with the Niger authorities to ensure that they stay the course and speed up the implementation of the poverty reduction programs.

We observe that decentralization of government is one of the essential elements of economic development. However, given the large magnitude of the envisaged decentralization program, we wonder whether the appropriate pre requisites are in place, particularly the following key ones:

(I). Niger currently has severe shortage of qualified manpower in almost all fields including the very important area of fiduciary control, which is the anchor of any successful decentralization process.

(II). Increasing the local administrative districts from the current 36 to 231 would also lead to an increased bureaucracy. With its attendant staff and other costs, this may not augur well for a country that still owes workers salary arrears and is currently barely managing to be current in meeting its staff salaries and other obligation.

Our main concern here is that the decentralization process should not create more problems than it solves. In this connection, we urge staff to intensify their analytical work and policy advise on the feasible approaches for a smooth and gradual implementation of the decentralization process.

The progress report suggests that the issue of growth would be dealt within the full
PRSP. With regards to the potential growth of Niger, both WAEMU and ECOWAS could offer large market outlets for the country's products. Moreover, as there are markets other than Nigeria in the ECOWAS Region, a bilateral economic trading agreement with Nigeria will not be sufficient to enable Niger take advantage of this wider market. We believe it is only when the Niger authorities are able to control trade generated revenue that they can channel the revenue to the poor farmers.

The issue of population growth continues to pose a serious problem to economic development in Niger. The authorities recognize this problem and are taking steps to address it. We urge the Bank to take a proactive role in helping the authorities in this respect. Particular attention on resolving the problem of HIV/AIDS cannot also be over emphasized.

On gender issues, we note that women have continued to suffer discrimination in the labour market and lack legal protection. This is in spite of the fact that the Bank and other donor agencies have placed increased emphasis on this issue, particularly on girls education and gender mainstreaming in public employment. We believe that still much remains to be done in this area.

Finally, we commend staff once again for a good job, and encourage them to continue their close co-operation with the Niger authorities, especially in preparing the PRSP and CAS.